

Major Provisions of Proposed Amendment to HB 1008
Senate Appropriations Committee
FEBRUARY 23, 2006

Provides a refundable income tax credit for motorists (passenger cars and motorcycles only) who pay tolls on the Toll Road. Credit equals the lesser of 50% of actual tolls paid or \$300 per year per tax return.

Deletes the provision that would freeze tolls at the current level for 10 years for individuals residing in a Toll Road County

Provides that a route for a new toll project including an existing road that is converted to a toll project that includes at least 4 lanes may not terminate in a township having a population of at least 80,000.

Provides the General Assembly must approve the use of tolls for any future road or bridge project created after the effective date of the bill. (The bill already requires Budget Committee review of each new lease.)

Requires the Indiana State Police Department to have responsibility to patrol the Toll Road and any future toll projects.

Provides the state will pay for up to two years service credit for state employees who lose their job as a direct result of the state entering into a public private agreement.

Provides that 34% of the lease payment to the Authority must be spent in the Toll Road Counties. INDOT projects, appropriations to the Toll Road Counties and the NW RDA, MVHF distributions to Toll Road Counties, retirement of existing Toll Road debt, lease expenses of the Authority and expenses for the tax credit and PERF service credits are included in the 34%.

Creates the Next Generation Trust Fund and makes an initial deposit of \$400 million into the Fund. Provides the State Treasurer shall create an irrevocable trust and serve as the trustee of the Fund. Earnings become a part of the Fund until the balance reaches \$1B. At that point the \$1B balance may not be diminished but future earnings are transferred to the Major Moves Construction Fund to support additional road and bridge construction.

Provides the Major Moves Construction Fund is a part of the State Treasury, balances are invested by the State Treasurer and funds must be appropriated to be available for expenditure.

Places administrative control of the Next Generation Trust Fund with the State Treasurer. Places administrative control of the Major Moves Construction Fund with INDOT.

Provides for creation of Local Major Moves Construction Funds in the Toll Road counties

Makes the following appropriations from the Major Moves Construction Fund:

- \$150M to be distributed to cities, towns and counties under the MVHF formula. \$75M is distributed quarterly in FY 2007 and FY 2008. (HB 1008 currently requires distribution of \$50M each year in FY 2006, FY 2007 and FY 2008.)
- \$20M to the Northwest Regional Development Authority
- \$30M each to Steuben, LaGrange, Elkhart, St. Joseph and Laporte Counties (counties that are not members of an RDA).
- \$25M to Porter County
- \$15M to Lake County
- \$179M to INDOT for FY 2007 for road and bridge construction and to continue to develop creative financing tools including public private partnerships, tolling and debt financing.
- An amount sufficient to reimburse the General Fund for the income tax credit

Provides that distributions to counties may be used for the same purposes as distributions to the NW RDA

Limits use of balances in the Major Moves Construction Fund to INDOT road and bridge projects (after payment of the above appropriations)

Allows the Budget Agency to augment appropriations to INDOT from the Major Moves Construction Fund after review by the Budget Committee.

Allows revenues appropriated to INDOT from the Major Moves Construction Fund to be used for payment of leases with the IFA only if revenues are specifically appropriated for this purpose.

Provides that IFA invests balances in the Toll Road Fund pursuant to an investment policy adopted by the Authority. The IFA may use earnings on the fund to pay for administrative expenses of the Authority.

Removes SECTION 38 – PUBLIC PRIVATE PARTNERSHIPS – from the bill. Replaces it with general direction for INDOT to pursue additional study and feasibility on use of creative financing methods including use of public private agreements, tolls and debt financing to build road and bridge projects. (This provision does not remove any individual project or funding identified for any individual project from the Major Moves Plan)

Deletes provisions that would require INDOT, the NW and NE RDAs and political subdivisions to submit annual lists of project requests, proposed funding schedules and supporting data to the IFA to receive funding which would have been made available at the discretion of IFA.

Provides the NW RTA may request appropriations from the General Assembly for funding from the Major Moves Construction Fund beyond the current biennium.

Requires the IFA to separately account for all expenses incurred in the pursuit of each Public Private Agreement. IFA expenses relative to each agreement shall be paid from funds generated by each agreement or by funds made available by the general assembly and may not be paid from lease payments generated under IC 8-9.5.

Deletes provisions for allowing grants and loans for Toll Road counties.

Deletes the establishment of and distributions to the Northeast Indiana Regional Development Authority (NERDA) (conforming changes)

Adds language to permit counties to enter into cooperative agreements to promote, plan, design and build transportation projects that are located in or benefit two or more counties

Deletes language requiring a super majority to change the reasons for which balances in the Major Moves Construction Fund may be used.

Decreases the maximum term of a lease for a Toll Road or Tollways project from 99 years to 75 years

Changes the requirement that a United States flag be displayed at each toll collection facility to a requirement that a US flag be displayed at the primary administrative building on the Toll Road.

Deletes a provision that removed a requirement that the General Assembly must provide for the issuance of bonds for the new toll roads or toll bridges.

Provides that an operator (of a project) and attorneys, banking officials and other professionals hired to support the development of a project subject to a public private partnership agreement after the effective date of the bill may not be compensated on a basis expressed as a percentage of the total project cost.

Requires that if INDOT employs engineers, superintendents, managers, experts, financial advisors attorneys or other professionals to establish tollways and fixes their compensation, it is subject to approval of the Budget Agency.

Eliminates unneeded legislative findings included in the bill

Removes a requirement for the Board of Accounts to conduct an additional audit of the Toll Road covering the years from 1996 through 2006

Adds a severability clause